



NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

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TREASURER ANGELIDES GAINS CALPERS PARTICIPATION IN DEVELOPMENT OF PROPOSAL TO CREATE AN OFFICE OF PENSION PROTECTION

*Angelides Says the New Office Would Take Whatever Steps Necessary To Protect the State
Pension Fund Members and Their Assets*

SACRAMENTO, CA – The California Public Employees' Retirement System (CalPERS) today took action on Treasurer Phil Angelides' proposal to create an Office of Pension Protection and Market Reform, as a joint operation with the California State Teachers' Retirement System (CalSTRS).

CalPERS unanimously approved the establishment of a seven-member committee to further refine and make recommendations on the Treasurer's proposal. CalPERS President Sean Harrigan named himself and the following six board members to the committee: Treasurer Angelides; State Controller Steve Westly; San Francisco Mayor Willie Brown; Investment Committee Chair Rob Feckner; Investment Committee Vice-Chair Priya Mathur; and Bob Carlson. A delegation of three of those committee members will be selected at a later date to meet with a similar CalSTRS ad hoc committee, already established.

"This Office will be a cost-efficient and focused force," Angelides said, "that will fight to protect taxpayers and pensioners – firefighters, police officers, teachers and other public servants and their families." The focus of the new Office, the Treasurer said, will be to restore market stability and investor confidence "for long-term economic growth and long-term positive performance of the funds' portfolios." The Treasurer sits on the boards of CalPERS and CalSTRS, the nation's largest and third-largest public pension funds. The two funds represent a combined two million members and \$230 billion in assets.

On July 9th, CalSTRS named a three-member ad hoc committee that included board members Jay Schenirer, Carolyn Widener and Controller Westly. Both systems will work together to analyze the Treasurer's proposal to create this watchdog agency for corporate wrongdoing.

In March, the Treasurer first proposed a California Office of Pension Protection and Market Reform as a joint operation of CalPERS and CalSTRS. The mission of the new Office will be to take whatever steps are prudent and necessary to protect state pension fund members and their assets. The Office will enhance the ability of the pension funds to seek redress and restitution for harm done and losses caused by corporate malfeasance; help protect pensioners from future misconduct; and pursue corporate and financial market reforms necessary to return and maintain integrity in the marketplace.

And by bringing the two pension funds and their staffs together, the new Office of Pension Protection and Market Reform will be able to serve taxpayers and pensioners in a more cost-efficient manner by eliminating costly duplication of effort.